THE HON'BLE MS JUSTICE G. ROHINI

WRIT PETITION NO.23671 of 2004

Dated 19-10-2005

Between:

L. Ravikumar and another. ….Petitioners

and

The Government of Andhra Pradesh, rep. by its Principal Secretary, Hyderabad, and two others.

….Respondents

THE HON'BLE MS JUSTICE G. ROHINI

WRIT PETITION NO.23671 of 2004

ORDER:

This writ petition is filed seeking to declare the proceedings dated 17-06-2003 issued by the second respondent and the consequential action of seizing the vehicles i.e., one car and two 2-wheelers belonging to the petitioners as arbitrary and illegal.

I have heard the learned counsel for the petitioners as well as the learned Government Pleader appearing for the respondents.

A perusal of the impugned order dated 17-06-2003 shows that the second respondent, who is the competent authority under the Andhra Pradesh Protection of Depositors of Financial Establishment Act, 1999 (hereinafter referred to as 'the Act'), having been satisfied that the properties-in-question are likely to be transferred, which would be detrimental to the interests of the depositors of a financial establishment-Vahini Finances & Chit Funds (P) Ltd., ordered to seize the same directing that the same shall not be transferred or otherwise dealt with except with the prior permission of the Special Court. In the said order, the 1st petitioner has been described as a Director of Vahini Finances & Chit Funds (P) Limited against whom the police registered a case on complaints received from the depositors. It also appears that the properties in question are proposed to be attached under Section 3 of the Act.

The grievance of the petitioners is that by virtue of the said order, vehicles of the petitioners' viz., Maruthi Car bearing No.AP10 P 7479 belonging to the 1st petitioner and Bajaj Chetak Scooter bearing

No.AP22 2131 and Herohonda Motor cycle bearing No.AP22 D 2169 belonging to the 2nd petitioner have been seized and that the same are still in the custody of the second respondent in spite of the fact that M/s. Vahini Finance & Chit Fund (P) Limited repaid a sum of Rs.2,44,50,000/- to the depositors and more than Rs.1.25 crores in various Banks have already been freezed which would satisfy the claims of all the depositors. Hence, this writ petition seeking a direction to release the vehicles in question.

It is to be noted that the fact that the proceedings under the Act are still pending before the Special Court and that the 1st petitioner is arrayed as one of the Directors is not in dispute. In the circumstances, the interference of this Court is not at all warranted and therefore, I am not inclined to issue a Writ of Mandamus as prayed for. Instead, I deem it appropriate to dispose of the writ petition with a direction to the second respondent, who is the competent authority under the Act, to take necessary action as provided under Sub-section (4) of Section 6 of the Act as expeditiously as possible, preferably within a period of eight weeks from the date of receipt of a copy of this order and to submit necessary proposals before the Special Court. As and when such proposals are submitted, the Special Court shall examine the same and pass appropriate orders in accordance with law within a period of four weeks thereafter. It is also made clear that it is open to the petitioners to seek release of the vehicles in question and if any such request is made, the second respondent shall consider the same and pass appropriate orders in accordance with law within a period of four weeks from the date of receipt of applications of the petitioners.

The writ petition is accordingly disposed of. No costs.

(G. ROHINI, J)

Date:19-10-2005 *Note*: Issue CC in two days.

B/o

ghn/klp